

UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

HALLIBURTON ENERGY SERVICES, INC.,	§	
	§	
Plaintiff,	§	
	§	CIVIL ACTION NO.
v.	§	4:02CV269
	§	(Judge Davis)
	§	Jury Trial Demanded
SMITH INTERNATIONAL, INC.,	§	
	§	
Defendant.	§	

FINAL JUDGMENT

On June 17, 2004, the Court called this case for trial. Plaintiff Halliburton Energy Services, Inc. ("Halliburton") appeared in person and through its attorney and announced ready for trial. Defendant Smith International, Inc. ("Smith") appeared in person and through its attorney and announced ready for trial. The Court then empaneled and swore in the jury. Trial commenced on June 17, 2004, and continued from June 21 through June 25, 2004. On June 25, 2004, the Court submitted questions, definitions, and instructions to the jury, and the jury returned a verdict that day.

The jury, in its verdict, determined that Smith infringed claims 1, 2, and 8 of United States Patent No. 6,213,225 (the "'225 Patent"); claims 1, 9, 15, and 18 of United States Patent No. 6,095,262 (the "'262 Patent"); and claim 6 of United States Patent No. 6,412,577 (the "'577 Patent"), that Smith willfully infringed all of these claims of the patents-in-suit except for claim 1 of the '225 patent, that none of the asserted claims of the patents-in-suit are invalid as anticipated, obvious or indefinite, and that Halliburton's actual damages total \$24,000,000. Smith's defense of unenforceability of the patents-in-suit due to inequitable conduct was tried to the Court and, on

August 11, 2004, the Court announced its decision that, based upon the evidence introduced during trial, Smith did not prove that Halliburton engaged in inequitable conduct with respect to the patents-in-suit.

Halliburton has moved for entry of judgment on the verdict and has requested an award of enhanced damages under 35 U.S.C. § 284, attorney fees' under 35 U.S.C. § 285, pre- and post-judgment interest, a permanent injunction prohibiting infringement of the asserted claims of the patents-in-suit under 35 U.S.C. § 283, and costs. On August 11, 2004, the Court determined that Halliburton should be awarded enhanced damages in the amount of \$12 million, attorneys' fees in the amount of \$4 million, and prejudgment interest at the prime rate as posted by the Federal Reserve Bank compounded monthly. In accordance with the jury's verdict and the Court's post-trial rulings, the Court renders the following judgment.

It is ORDERED, ADJUDGED AND DECREED that Plaintiff Halliburton Energy Services, Inc., have and recover from Defendant Smith International, Inc., the following:

Twenty Four Million Dollars (\$24,000,000) in actual damages;

Twelve Million Dollars (\$12,000,000) in enhanced damages pursuant to 35 U.S.C. § 284;

Four Million Dollars (\$4,000,000) in attorneys' fees pursuant to 35 U.S.C. § 285;

Nine Hundred Seventy-Two Thousand Three Hundred Eighty-Six Dollars (\$972,386.00) in prejudgment interest on the actual damages found by the jury calculated from August 1, 2002 through August 13, 2004, plus *per diem* interest of \$2,849.00 from August 14, 2004 until the date of this judgment;

Postjudgment interest is payable on all the above amounts (\$40,972,386.00) at the lawful rate under 28 U.S.C. § 1961 from the date this judgment is entered until the date this judgment is paid; and

Costs of Court.

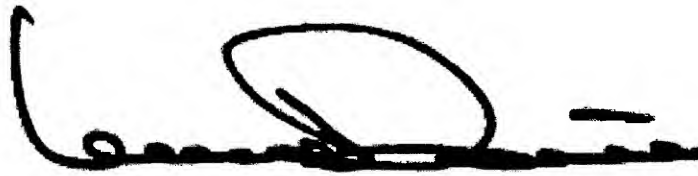
It is further ORDERED, ADJUDGED AND DECREED that:

The Court has entered a permanent injunction against Smith prohibiting Smith from infringement of the patents-in-suit, pursuant to 35 U.S.C. § 283, on such terms as are set forth in its permanent injunction which is incorporated herein by reference.

The Court denies all relief not granted in this judgment.

This is a FINAL JUDGMENT.

So ORDERED and SIGNED this 13 day of August, 2004.

A handwritten signature in black ink, appearing to read 'Leonard Davis', written over a horizontal line.

LEONARD DAVIS
UNITED STATES DISTRICT JUDGE